

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF NEW YORK**

DAPHNE RICHARD, ET AL.

Plaintiff,

v.

GLENS FALLS NATIONAL BANK,

Defendant.

Case No. 1:20-CV-00734-BKS-DJS

**DECLARATION OF PETER LAREAU IN
SUPPORT OF DEFENDANT'S MOTION TO DISMISS**

I, Peter Lareau, state and declare, under penalty of perjury, that the following is true and correct:

1. I am employed by Defendant Glens Falls National Bank and Trust Company ("Glens Falls") as the Executive Vice President, Chief Risk Officer, and Corporate Secretary. I make this Declaration in support of what I understand to be Glens Falls request to dismiss this lawsuit in its entirety. I am over the age of 18 and am capable of making this Declaration. I know or am familiar with all of the following facts of my own personal knowledge as a result of my position and employment with Glens Falls. If called and sworn as a witness, I could and would testify competently to the matters herein.

2. Attached as Exhibit A is a true and correct copy of Glens Falls' Deposit Account Rules and Regulations, effective August 5, 2013. The Insufficient Funds provision and Funds Availability Disclosure in Exhibit A have remained unchanged since August 5, 2013.

Dated: September 30, 2020


Peter Lareau

Exhibit A

Glens Falls National Bank and Trust Company

Deposit Account Rules and Regulations

INFORMATION PERTAINING TO ALL DEPOSIT ACCOUNTS

We have attempted to write this Deposit Account Rules and Regulations ("Agreement") in plain English so that you can understand its terms as clearly as possible. This Agreement covers your deposit accounts; including checking, interest-bearing checking, money market, savings and time/certificate type Accounts. It is a legally binding contract. PLEASE read this Agreement and keep it in a safe place so you can refer to it whenever you have a question about your Account. The "Agreement" means this document and any other governing documents applying to your Account.

Governing Documents

The governing documents that constitute the entire Agreement for your account will be (a) these rules and regulations, (b) any truth in savings disclosure for your account, (c) the signature card for your account, (d) any certificate of deposit for your account, (e) if you are a business or other organization or entity, all other agreements between you and us concerning your account, and (f) any other documents that may be required from time to time. Other than any agreement between you and us concerning deposits to and withdrawals from your account made in a particular way, the governing documents for your account are the final and complete agreement between you and us concerning your account. Any statement concerning your account made by any of our employees or anyone else is not part of that Agreement. If you are a business, other organization or entity, and any part of these terms and conditions is incompatible with any part of any other agreement between you and us concerning your account, the part of that agreement will control. You may not use your account or any other financial service we provide for any illegal purpose, including the origination, receipt, or processing of illegal Internet gambling transactions. You agree to indemnify and hold us harmless from any and all actions arising out of your illegal use of your account or our services.

Definitions

In this Agreement, the words "you" and "your" refer to each person who maintains an account with Glens Falls National Bank and Trust Company, either individually or jointly with another person. The words "we", "us" and "our" refer to Glens Falls National Bank and Trust Company. We use the word "Account" in this Agreement to refer to an Account maintained with Glens Falls National Bank and Trust Company.

Account Charges

You agree to pay any service fees and charges that apply to your Account including, but not limited to, activity fees, handling fees, overdraft fees, maintenance fees, service fees, stop payment fees, and other fees which we may adopt in the future. These fees and charges are subject to change, any time, at the Bank's discretion. If required by applicable law, a notice of change of the fees and charges will be sent to you at the address shown on the Bank's records prior to the effective date of the change. You agree that the Bank may deduct fees and charges from your Account without prior notice to you. The Bank will not be responsible for dishonoring checks or withdrawal orders, or for any overdraft which may result from the deduction of these fees and charges from your Account.

Accounts for Minors

Accounts may, at the Bank's discretion, be opened by a minor and the minor may make deposits and withdrawals with the same effect as an adult.

Amendments

The Bank reserves the right to amend the terms governing Accounts at any time. Copies of the Agreement and other disclosures in effect at the time an Account is opened will be given to each depositor upon the opening of a new Account and upon request. To the extent required by applicable law, all depositors will be given notice by mail of any change.

Assignment and Transfer

The assignment of a personal checking Account is prohibited and will not be recognized. Savings, money market savings and certificate Accounts are not negotiable and are not transferable except on our books. Savings, money market savings and certificate Accounts may be assigned as collateral for a loan made by us, but an assignment will not be effective unless it is in a form acceptable to and acknowledged by us.

Backup Withholding

For new accounts, Federal law requires us to obtain, within 60 days of the Account opening date, your certification that the Taxpayer Identification Number (TIN) you have given us is correct. By signing the signature card or the Bank copy of a certificate Account, each depositor certifies under penalty of perjury that your Social Security or Tax Identification Number is correct, and that you are not subject to backup withholding. You are subject to backup withholding if:

- You fail to furnish your TIN to any payer of interest, dividends or certain other payments; or
- The Internal Revenue Service notifies any payer that you furnished an incorrect TIN; or
- You are notified that you are subject to backup withholding; or
- You fail to certify to the payer of any interest or dividend Account that you are not subject to backup withholding; or
- You fail to certify your TIN.

If you are subject to backup withholding, we must generally withhold interest payments which are paid to you based on the current required Section 3406 IRC backup withholding rate. A correct TIN will generally be your Social Security Number for a personal Account or the Employer Identification Number of the owner of record for a non-personal Account. If you do not have a TIN or you do not know your TIN, obtain Form SS-5 (Application for Social Security Number) or Form SS-4 (Application for Employer Identification Number) at the local office of the Social Security Administration or the Internal Revenue Service and request a number. Write "applied for" on the Account signature card in place of your number. When you get a number, you must report it to us and complete a new signature card or Form W-9. If a TIN is not provided at Account opening, you will be subject to backup withholding until such time as a TIN is provided. If you are a non-resident alien, you are required to certify your status to us at least every three years. Failure to do this will subject you to backup withholding.

Business "Cut-Off" Time

A deposit or withdrawal made prior to the Bank's processing "cut-off" time Monday through Friday will be applied on the day it is made. A deposit or withdrawal made after the Bank's processing "cut-off" time or on Saturday, Sunday, or Federal holiday will be applied to the Account on the next business day. Our business day generally ends at 8:00 p.m. unless otherwise posted and based on individual branch hours of operation.

Change of Address

You must notify us promptly in writing of any change in your address. Notices and statements will be mailed to you at the most recent address which we have for you. If your statement is returned because of an incorrect address, we will stop sending statements until we are notified of your correct address.

Checks and Other Withdrawals

We require the use of checks and deposit slips which are of a grade and quality acceptable to our item processing and imaging equipment. These items can be purchased through us. If you choose to purchase checks and deposit slips elsewhere, you should first check with the Bank to ensure that these items meet our processing requirements. Your failure to do so may result in the imposition of a handling charge for each item. You may order our printed checks which are personalized with your name and address. Your Account will be charged for this cost.

A customer will not write or deposit a check that is written in an ink type or color that does not reproduce clearly when imaged or copied. In addition, a customer will not write or deposit a check that bears designs, security features, or other elements that prevent the check from being imaged or copied with all of its necessary elements being reproduced clearly.

The Bank reserves the right to refuse any check or other item drawn against your Account or used to withdraw funds from your Account if made in a manner not specifically authorized for your Account, if made more frequently or in a greater number than specifically permitted for your Account, or if made in an amount less than the minimum withdrawal or transfer specifically permitted for your Account. The Bank's order of payment on your Account will be to pay: 1.) one time ATM/POS debit card transactions, 2.) ACH debit and 3.) Checks in the order in which they are presented.

When paying or taking a check for collection, the Bank reserves the right to disregard information on the check other than the signature of the drawer, the identification of the drawee bank and payee, the amount, endorsements and any other information encoded onto the MICR line according to general banking standards. You agree not to write postdated checks. If you do, we have the right to pay the check upon presentment and charge your Account, or we can return the check unpaid. In either case, we will have no responsibility for the consequences. The Bank maintains the option to either pay or dishonor any stale dated checks [checks more than six (6) months old] unless you stop payment on them.

You can make withdrawals from your Account(s) by many different methods. Withdrawals may be prohibited by us if a claim is asserted against the funds on deposit for some reason (e.g., your failure to repay a loan with our Bank, we are served with a writ of garnishment or attachment affecting your funds, etc.).

We are required by law to reserve the right to require at least seven (7) days notice prior to withdrawal of funds from the following Accounts: Traditional Checking Plus Interest, Pacesetter, Money Market Checking, Platinum, other interest-bearing checking Accounts, savings, money market and time/certificate Accounts. At this time, we do not require any notice.

Collected Balance

Collected balance refers to the collection of noncash items (checks) deposited by you. The Bank will rely on the Federal Reserve Bank's availability schedules to determine when credit for noncash items has been received and as defined in the Funds Availability Policy.

Confidentiality

Information about your Account is confidential. We will not disclose information to third parties except:

- Where it is necessary to complete a transaction;
- In order to verify or report the existence and condition of your Account to a third party, such as a credit bureau;
- In order to comply with government agency regulations or court orders;
- If you give us your permission;
- To our employees, auditors, affiliates, service providers, attorneys or collection agents in the course of their duties;
- If it involves a claim by or against us on an item deposited or drawn against your Account;
- If we have to obey an order for information from an authorized government body, we will, to the extent required by law, notify you before we give out the information;
- As otherwise permitted by law; or
- As otherwise described within our Statement of Privacy Practices.

Continued Effectiveness

If any part of any governing document for your Account is determined by the court to be invalid, the rest of that governing document and any other governing documents will remain in effect.

Custodian Accounts for Minors

You may act as a custodian and open a custodian Account for a minor. The Account will be subject to the New York Uniform Transfers to Minors Act (UTMA) (the "Act"). A minor is any individual who has not reached the age of twenty-one (21) years. A custodian may designate an age other than twenty-one (21) as permitted by the Act as the age at which the beneficiary is entitled to certain types of UTMA funds or property. You may also nominate other persons as successor custodians, but only one person can serve as custodian at any one time. A successor custodian becomes eligible to act on the minor's behalf upon the death, resignation, or incapacity or removal of any custodian in the order listed in case of naming multiple custodians. We must obtain the signature of any successor custodian on the proper forms before we can recognize a successor custodian's authority to act. A custodian may resign at any time by giving written notice to the minor [if the minor has reached the age of fourteen (14)] as well as the successor custodian. If a successor custodian has not been designated, and a custodian becomes ineligible, dies, or becomes incapacitated, the minor [if he or she has reached the age of fourteen (14)] may designate a successor custodian in accordance with the Act. Checks or other deposit items to a custodian Account should be made payable to the custodian followed in substance by the words: "As custodian for (name of minor) under the New York Uniform Transfers to Minors Act." You will not be allowed to pledge the Account funds as collateral for a loan to any person other than the minor. The Account funds must be used solely for the minor's support, maintenance, education or benefit. However, we will not be responsible for making this determination. You must include the minor's Social Security or Taxpayer Identification Number on the Account signature card.

Daily Periodic Percentage Rate

The Daily Periodic Percentage Rate is the Interest Rate divided by 365 days (366 in a leap year). This is the incremental rate which is applied daily to the collected balance in your Account.

Deposits

You may deposit items to your Account, and we will act as your agent to collect those items. In acting as your collection agent, the Bank assumes no responsibility beyond the exercise of reasonable care. All items are credited subject to final payment and receipt of proceeds by the Bank. You can endorse items for deposit by using a stamp to show the name of the endorser. If you endorse items for deposit by use of a stamp or other facsimile signature device, the Bank may honor any check or other signed instruction that appears to bear your facsimile signature even if it was made by an unauthorized person or with a counterfeit facsimile device. Deposits into some Accounts may be limited. All deposits received by us on a non business day or after the cut-off time as defined in our Funds Availability Policy will be treated as being received by us at the opening of the next business day. If we feel it is necessary, we may refuse or return the whole or any part of your deposit.

Generally, the Bank business days and branch hours of operation are posted at each office and are subject to change from time to time at the Bank's discretion.

Dormant Accounts

In accordance with New York law, we are required to turn over to the State, after sending notification to your last known address, the funds in any abandoned Account. An Account is presumed abandoned unless within three (3) years:

- You have initiated a transaction which increased or decreased the balance in the Account; or
- You have communicated in writing with the Bank concerning the property; or
- You have otherwise indicated an interest in the property as evidenced by a memorandum on file prepared by an employee of the Bank.

Endorsing Items

If you cash or deposit a check, we are legally entitled to an unqualified endorsement from you, and you give us the irrevocable right to place that endorsement on the check. Also, you agree not to give us any check which you have endorsed "without recourse." If you do, we can also place your unqualified endorsement on the check. We can enforce against you any rights that an unqualified endorsement gives us. You will be liable for any losses or delays caused by nonconforming endorsements or material on the back of a check which would make a bank's endorsement illegible.

Endorsements on all items must be contained on the back of the check, within 1-1/2 inches of the trailing edge of the check. You may identify the "trailing edge" of a check by viewing the check from the front; the trailing edge is the left edge of the check.

FDIC Insurance

Accounts are insured up to the maximum amount allowed by the Federal Deposit Insurance Corporation. For more information visit www.fdic.gov.

"In Trust For" Accounts

You can create an "In Trust For" Account by naming a person or persons as beneficiary. During your lifetime, you may make deposits, withdraw funds or close the Account at any time. The beneficiary may not withdraw funds during your lifetime. You must include your Social Security or Taxpayer Identification Number on the Account signature card. We have no responsibility to monitor the use of the funds in the Account. After your death, the balance in the Account will belong to the beneficiary. If this Account is a Joint Account, the beneficiary will have a right to the balance in the Account only when the last joint owner dies. We may require certain legal documents before releasing the funds on deposit.

Insufficient Funds

You must maintain a balance in your Account that will cover the checks you write and any other debits or similar transactions (in-person withdrawals, ATM withdrawals or other electronic transactions) initiated by you, and other fees or charges applied to your Accounts, and you must promptly deposit funds to cure a negative balance in any of your Accounts. If you write a check or initiate other debits or similar transactions for more money than you have in your Account, we have the option to either pay the check or other debit or other similar transaction or return it unpaid. The Bank may determine whether your Account contains sufficient funds to pay a check, other debit or similar transaction at any time between the time the check or other debit or similar transaction is received by the Bank and the Bank's return deadline, and only one determination of the Account balance is required. If that determination reveals insufficient funds to pay the check or other debit or similar transactions, the Bank will not be required to honor the check or other debit or similar transactions. Alternatively, the Bank may honor the check or other item and create an overdraft. The honoring of one or more overdrafts, however, does not obligate the Bank to honor any future overdrafts, and you should not rely on the Bank to honor an overdraft. The Bank is not required to send you prior notice on checks or other debits or similar transactions returned for insufficient funds. We will impose a handling charge for each check or other debits or similar transactions presented against insufficient funds, whether or not we pay the check or other debits or similar transactions. Additionally, you agree to reimburse the Bank for any costs it incurs in collecting the overdraft from you including, without limitation, reasonable attorney's fees and the costs of litigation, to the full extent permitted by applicable law. If for any reason, a check you have deposited is returned for insufficient or uncollected funds, the Bank reserves the right to send it for collection through electronic means. In addition, if we receive an item for collection transmitted by electronic means from a depository bank, you have a right to request a copy from us. We do not charge fees for overdrafts caused by ATM withdrawals or one-time Point of Sale (POS)/Debit Card transactions.

Interest Rate

Rates will be determined by the Bank. Unless otherwise specified, they are variable and may change at any time.

Joint Accounts

If you establish a Joint Account, we will consider the Account to be held in joint tenancy with right of survivorship. Any or all joint owners can make deposits or withdrawals. To make withdrawals, a joint owner must have his or her signature on file with us. If only one joint owner has signed a signature card, the Account will be treated as an individual Account.

All joint owners are bound by the actions of any one or more of the joint owners. We have the right to endorse any items, checks, drafts, or other orders payable to any of the joint owners. Once endorsed, we can deposit them into the Joint Account. Each joint owner appoints all other joint owners as his or her agent to conduct all business for the Account. Any joint owner can endorse for deposit to that Joint Account checks, drafts, or other payment orders made out to any other joint owner or owners of the Account. We are entitled to make payments from the Account on the orders or instructions of any of the joint owners even when other joint owners object and regardless of whether other joint owners are alive at the time of payment. If a deposited or cashed check is returned unpaid, all joint owners are responsible regardless of who deposited or cashed the check. Each joint owner also authorizes the Bank to exercise setoff and enforce its security interest in the entire Account, even though only one of the joint owners is a debtor; these rights exist regardless of who contributed funds to the Joint Account. Similarly, the Bank can enforce overdraft liability in the Joint Account against any joint owner individually. Garnishments against any or all joint owners are subject to the Bank's right of setoff and security interest. Upon the death of a joint owner, that joint owner's interest in the Account immediately passes to the surviving owner(s). We may require the survivor to produce certain legal documents before releasing the funds on deposit in the Account. Notice provided by the Bank to any joint owner is notice to all joint owners.

Legal Process

At certain times, we may be served with restraining orders, writs of attachments, garnishment or execution, tax levies or other legal process related to your Account. We must by law comply with these legal processes. In such event, the Bank may refuse to pay out any money from your Account until the dispute is resolved. If your Account is attached, garnished, or otherwise subject to levy by lawful legal action, the Bank will not be liable to you for any sums it may be required to pay because of such attachment, garnishment or other levy, even if paying the money in your Account leaves insufficient funds to pay a check you have written. We will make a reasonable effort to notify you when we receive such an action relative to your Account. In addition, if you are a party to legal process, we may charge your Account for the reasonable expenses we incur in complying with the legal process. Any attachment, garnishment, or other levy against your Account is subject to the Bank's right of setoff and security interest.

Power of Attorney

If you appoint an attorney-in-fact (e. g., someone else to whom you give the authority to make deposits to, or withdrawals from, your Account), the Bank will honor that person's instructions as it would your own. All owners of the Account will be bound by anything the attorney-in-fact does in connection with the Account. The Power of Attorney will remain effective until the Bank receives written notice that it has been terminated. Unless otherwise stated in the document granting the power, the power will be terminated automatically upon the incapacity of the attorney-in-fact, or the Account owner(s) who has appointed him or her. The power will also be terminated automatically upon the death of the Account owner(s) who has appointed the attorney-in-fact.

Setoff and Security Interest

If you ever owe the Bank any amount as a borrower, guarantor, or otherwise, the Bank has the right under the law (called setoff) and under this Agreement by which you hereby grant the Bank a security interest in your Account(s) to use the money in your Account(s) to pay any amount you owe us. The Bank may use the money in your Account(s) to pay the amounts you owe us even if withdrawal results in an interest penalty or dishonor of checks. The security interest granted by this Agreement is consensual and in addition to the Bank's right of setoff.

Statements and Check Images

We will periodically send you a statement of your Account at our discretion. Unless otherwise instructed, statements will be mailed by us to you based on your last known address as shown on our records. Statements may also be made available to you electronically as specifically requested or based on the features of certain selected account types. To withdraw your request to receive statements electronically, please provide your request in writing to the bank or send a secure message within Internet Banking. Certain account types require statements to be received electronically. We will make electronically digitized copies of your checks. We reserve the right to return images of your cancelled checks with your statement. We also reserve the right to return only a statement (truncated) without images of your cancelled checks. If we place any of these items in the mail, they will be deemed delivered to you.

If our records are lost or destroyed, you agree that we will not be liable for any consequences. You will be able to obtain a copy of the images of your cancelled checks upon request at any time during the next seven (7) years. A charge may be imposed for each copy. You agree that by returning an image copy, we have made the check available to you in a reasonable manner. If for any reason we cannot provide a copy of your check or satisfy your request by other means, we may be liable for no more than the face amount of the check or your actual damage, whichever is less. Images of checks will be destroyed after a reasonable period of time as determined by the Bank.

You agree to carefully examine your statement and your images of cancelled checks (if applicable) and promptly report any apparent error or any alteration, forgery, unauthorized signature, or other unauthorized activity. If you fail to notify us within sixty (60) days of the date we mail you the statement, the statement will be treated as accurate and we will not be responsible for any claim or loss which you may incur.

Under Federal law, a merchant is permitted to convert your check in payment for merchandise or services into an electronic funds transfer from your Account.

If we receive an item for collection transmitted by electronic means from a depository bank, you have the right to request a copy from us.

Statement Balance

Statement balance reflects the balance in your Account regardless of when we receive credit for noncash items deposited by you as defined under our Funds Availability Policy.

Stopping a Check

Stop payment requests can only be honored if you notify our Deposit Services Department in sufficient time to allow us to avoid processing your check. Your stop payment request must include the name of the payee, date of the check, serial number of the check, exact amount of the check and your Account number. Oral requests are effective for fourteen (14) days. Written stop payment orders are effective for six (6) months. All renewals of stop payment requests must be in writing. There is a charge for each stop payment request. In addition, you agree to pay any other expenses or costs we incur as a result of your stop payment request. Stop payment orders on cashier's checks are not permitted.

Termination/Closure of an Account

We may terminate your Account at our sole discretion at any time by mailing a written notice to you at the address which we have on our records. Termination is effective upon the date stated in the notice. You agree that notice of termination is reasonable if it is mailed to your statement mailing address at least seven (7) days prior to the date of termination. Any checks presented after your Account has been closed will be returned unpaid, and any deposits received will be returned when the funds are available according to our Funds Availability Policy in this Agreement, less any amounts due us for overdrafts or Account charges. We will not be responsible for the consequences of any Account termination.

Trust Accounts

You may open an Account as a fiduciary for a named beneficiary. You must include an appropriate Social Security or Taxpayer Identification Number on the Account signature card in accordance with rules established by the Internal Revenue Service (for the common revocable savings "In Trust For" Account where the grantor is also the fiduciary, the appropriate Taxpayer Identification Number is that of the fiduciary). A fiduciary is a person appointed by a court or named in a will, trust agreement or other document to manage the funds or property of another. We have the right to require production of these documents prior to your opening the Account. Only the fiduciary or a successor fiduciary shall be eligible to withdraw funds from the Account or make other transactions with respect to the Account. The Bank is authorized to follow the directions of the fiduciary until the Bank receives written notice that the fiduciary's authority has been terminated and the Bank has had reasonable time to act upon that notice. We may require certified copies of any trust instrument or court order before permitting any transactions. Even if we do not ask for these documents, we will not be liable for any breach of duty or obligation on the part of the fiduciary.

USA PATRIOT Act – Customer Identification

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. What this means for you: When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

Verification of Information to Establish an Account

We may, at our discretion, obtain credit reports and otherwise verify information supplied by you, either directly or through an outside agency retained by us. If you ask, we will tell you whether or not a credit report was requested and, if one was requested, we will give you the name and address of the credit reporting agency that furnished the report. Upon request, we also will provide you with the telephone number of the consumer reporting agency.

What Law Applies

Any legal question concerning your Account or any governing document for your Account will be decided in accordance with (a) New York State law without regard to the law of any other state and (b) to the extent applicable under Federal law.

ADDITIONAL INFORMATION ON CHECKING AND SAVINGS ACCOUNTS

Deposits and Withdrawals

Deposits to any of your Accounts may be made at any office of Glens Falls National Bank and Trust Company or at any Glens Falls National Bank ATM that accepts deposits. You may make deposits by mail or in person by using our deposit tickets. Other methods of making deposits may be made available to you.

The rules for making withdrawals vary according to the type of Account you have. Withdrawals from any of your Accounts can be made at any office of Glens Falls National Bank and Trust Company.

Withdrawals from checking Accounts may be made by writing a check. Withdrawals from statement savings and other money market savings Accounts may be made by using a withdrawal slip. Other methods of making withdrawals may be made available to you.

Transaction Limits

Federal regulations require us to limit to a total of six (6) the number of automatic, preauthorized, telephone transfers, or online banking transfers, that you may make from savings or money market savings Accounts during a monitoring period. The monitoring period for all savings accounts is a calendar month or twelve times per year. Please note that transfers such as wire transfers, transfers from your savings or money market savings Accounts by pre-authorized deduction, telephone, computer, instructions sent to us using a facsimile machine, or similar order made from this account to other accounts or to third parties are subject to these limits.

If you exceed these limits, we will contact you about the violation. Repeated violations will require us to either take away your ability to transfer funds from your Account or transfer the balance in your Account to a checking Account and/or close your Account. In addition, we may charge you additional fees for transfers you make in excess of the maximum permitted. This fee may be assessed on a flat fee or per item basis.

There are no limits on the number of withdrawals or transfers from savings type Accounts when made in person, by mail (by check mailed by you), messenger, or ATM terminal. Bank fees may apply.

Automatic Deduction Holiday Club Account

When you open an Automatic Deduction Holiday Club Account, you authorize a weekly transfer of funds from a Glens Falls National Bank checking Account into your Automatic Deduction Holiday Club Account. Weekly transfers will continue for up to 52 weeks. The minimum weekly deposit or transfer is \$1. You cannot make a partial withdrawal from your Automatic Deduction Holiday Club Account. If you withdraw the entire balance at any time, we will charge you a fee. For Automatic Deduction Holiday Club Accounts, we will mail you a check for the total amount of your Account in October.

Service Charges

All Accounts will be subject to service charges and other fees as may be adopted by the Bank from time to time. Service charges and fees are subject to change at the Bank's discretion. Any fees may be deducted from your Account without prior notice to you. The Bank will not be liable for dishonoring checks or other debits or similar transactions because of insufficient funds resulting from the proper deduction of fees. All depositors will be given notice by mail, sent to the address of record for the Account, prior to any increases in service charges or balance requirements. Conversion of one type of Account to another type is allowed when the request is submitted in writing. Other service charges may be adopted by the Bank at its discretion.

Earnings Allowance for Commercial Accounts

Earnings allowance on commercial Accounts is computed at the end of each monthly statement period and used to offset service charges incurred during the period. If the total of the service charges exceeds the earnings allowance, the excess is treated as a service charge. If the earnings allowance equals or exceeds the service charges, your Account is free of charge for that period. Excess earnings allowances are NOT credited to your Account.

Remotely Created Check

A Remotely Created Check means a check drawn against your account that is not created by you. It has been authorized by you, or has been presented as having been authorized by you, and typically does not bear your signature.

Please be advised, that you, as customer on whose account a Remotely Created check is drawn, have specific rights in terms of disputing the authorization of Remotely Created Checks. To dispute a Remotely Created Check drawn on your account, the Bank requires you sign an affidavit to initiate this process.

Business entities that deposit authorized, or purported to be authorized Remotely Created Checks to their accounts with us, warrant to the Bank that the holder of the Account which the Remotely Created Check is drawn, authorized issuance of the check for the amount, payee and purpose as so appropriately noted. You, as the depositor agree to indemnify the bank and hold the bank harmless from any and all claims to the contrary.

Subaccounts

Interest-bearing checking Accounts as described in the Bank's current Truth In Savings Disclosure consist of a master Account and two subaccounts. The signature card you sign at Account opening applies to the master Account and subaccounts. All information that is made available to you about your Account will be information about the master Account only. Subaccounts will consist of a savings Account and a transaction Account. Both subaccounts will earn the same current variable rate of interest as the master Account and will have the same annual percentage yield. Commencing with each new statement period, the Bank will allocate funds between the two subaccounts as it deems appropriate. The Bank will, from time to time, transfer the balances between the subaccounts so that all the funds in your master Account will always be available to pay any and all checks, debits, and other items payable from your master Account. These transfers will not appear on your monthly statement and will not be subject to any transaction or other service fees. No more than six (6) transfers from the savings subaccount to the transaction subaccount will be made in a monthly period. To comply with Federal regulations, all funds in the savings subaccount will be transferred to the transaction subaccount for the remainder of the monthly statement period any time a sixth internal transfer is required. Because the savings subaccount is used for internal purposes only, you cannot access this subaccount directly. The Bank will be responsible for monitoring transactions on the subaccounts. The combined balances of both subaccounts will be used for the master Account balance for determining whether monthly maintenance and transaction fees apply.

ADDITIONAL INFORMATION ON TIME/CERTIFICATE OF DEPOSIT AND INDIVIDUAL RETIREMENT ACCOUNTS

Term of Deposit

The term of your time/certificate Account is reflected on your certificate. You must maintain your time/certificate Account with the Bank for that period of time.

Additional Deposits

No additional deposits may be made on a time/certificate Account unless expressly permitted by the Bank.

Penalties

Each depositor by maintaining a time/certificate Account with the Bank is bound by the terms and conditions governing the Account. In the absence of a specific term or regulation, the Account shall be governed by the Bank's usual banking practices to the extent permitted by law. The term "depositor" shall be deemed to mean the Account owner(s). Each depositor has agreed by opening a time/certificate Account to keep the funds on deposit until the stated maturity date, as well as for the full term of any subsequent renewal. In the event of a Bank approved withdrawal of all or any part of the principal on a time deposit before the maturity date (except for withdrawals occurring upon judicially declared mental incompetence or death of any owner of the time deposit), an early withdrawal penalty may be imposed. The amount of penalties may be imposed by deducting such amounts from interest actually earned, or if necessary, from the principal amount of the deposit. The penalties are calculated on the amount of interest earned or that could have been earned on the amount withdrawn, regardless of the length of time the funds withdrawn have remained on deposit. Certificates are non-negotiable and may only be assigned to this Bank as collateral for a loan.

Individual Retirement Account (IRA) Penalties

In addition to Bank interest penalties for early withdrawal, tax penalties may be imposed by the Internal Revenue Service in the following instances:

- The time/certificate Account is maintained in an Individual Retirement Account established in accordance with 26 USC 408 and is paid within seven (7) days after establishment of the Individual Retirement Account pursuant to 26 CFR 408-6(d)(4), where it is maintained in a 401(k) plan under 26 USC 401(k); provided that the depositor forfeits an amount at least equal to the simple interest earned on the amount withdrawn.
- Where the depository institution pays all or a portion of a time deposit representing funds contributed to an Individual Retirement Account, Keogh or to a 401(k) plan, when the individual for whose benefit the Account is maintained has not attained the age 59-1/2 or is not disabled.

Exceptions to the above rules are as follows:

- Upon the death of any owner of the time/certificate Account.
- When any owner of the time/certificate Account is determined to be legally incompetent by a court or other administrative body of competent jurisdiction.
- Withdrawal of a time/certificate Account within ten (10) days after a specified maturity date even though the deposit contract provided for automatic renewal at maturity date.
- When, due to a bank acquisition or merger, the depositor chooses to withdraw that portion of the amount of the time deposits that when added together represents the excess in FDIC insurance coverage that would otherwise be lost as a result of the merger or acquisition.

Renewal

If the Bank is not notified in writing at maturity, all time/certificate Accounts are automatically renewable unless otherwise noted. You will have ten (10) calendar days after the maturity date to withdraw your funds. If the tenth day is a Saturday, Sunday or Federal holiday, you have until the last business day before the tenth day to withdraw your funds without penalty. Renewal of the balance in your Account will be for a period equal to that in the original time/certificate Account. The terms of any new time/certificate Account will be those in effect on the date of renewal. A time/certificate Account that is renewed automatically will earn interest without interruption. However, no interest will be earned after maturity if the time/certificate Account is not renewed, or if considered to be abandoned as stipulated according to New York State law. The Bank also reserves the right not to renew a time/certificate Account.

Questions About These Account Terms and Conditions

If you have questions concerning this Agreement or about your Account(s), you may contact any of our offices or call 518-793-4121 or toll-free at 1-866-248-6366.

FUNDS AVAILABILITY DISCLOSURE

Federal Law states that availability schedules need only apply to your personal and/or business checking Account(s) with our Bank; savings and other similar Accounts are otherwise excluded from the Funds Availability Policy. Our general policy is to delay the availability of funds that you deposit in your Account.

Our policy is to make a portion of the funds from your deposit available to you on the business day we receive your deposit and to make the remaining funds from your deposit available at a later date. Once the funds are available, we will use them to pay checks that you have written or you may withdraw them in cash. Please remember that even after we have made funds available to you, and you have withdrawn the funds, you are still responsible for the checks you deposit that are returned to us unpaid and for any other problems involving your deposits. Information concerning when funds from your deposit will be deemed available by the bank and available for your use is detailed below. Federal Law states that availability schedules need only apply to your checking account(s) with our bank; savings and other similar accounts are excluded from this Funds Availability Policy.

Definitions

Business Day – For determining the availability of your deposits, every day is a Business Day, except Saturdays, Sundays, and Federal holidays.

Day of Deposit – The method by which the deposit is made determines the "Day of Deposit" as follows: Cut-off times vary by location and method by which the deposit is made.

Teller Stations

If you make a deposit with one of our tellers at a branch location on a business day, we will consider that day to be the day of your deposit.

Night Depositories

If you make a deposit at one of our night depositories, we will consider that the deposit was made on the next business day we are open.

Mail Deposits

If you do not make your deposit in person to one of our employees (for example, if you mail the deposit), funds from these deposits will be available on the first business day after the day we receive your deposit.

Automated Teller Machines (ATMs)

Check deposits made at automated teller machines (ATMs) that we own or operate will be made available in accordance with the availability schedule indicated in this disclosure if they are made by 7:00 p.m. on a Business Day.

Existing Accounts – Accounts with us that have been opened for thirty (30) days or more.

New Accounts – Accounts with us that have been opened fewer than thirty (30) days.

Availability Timeline for Deposits to Existing Accounts

Availability of funds from your deposits varies depending on the type of deposit and is explained below:

WHEN DEPOSIT IS MADE BY:	DEPOSITED FUNDS ARE AVAILABLE:
Cash, electronic deposits or wire transfers	On the Business Day of the Deposit
Federal Reserve Bank checks, Federal Home Loan Bank checks, U.S. postal money orders, checks drawn on Glens Falls National Bank and Trust Company and U.S. Treasury checks if these items are payable to you	The first Business Day after the Day of Deposit
State and local government checks, cashier's, certified and teller's checks that are payable to you	The first Business Day after the Day of Deposit
Checks drawn on other U.S. financial institutions that are payable to you	The first Business Day after the Day of Deposit

Glens Falls National Bank and Trust Company makes \$200 of your check deposits available for immediate withdrawal.

Example – If you deposit checks totaling \$700 on a Monday, \$200 of the deposit is available immediately. The remaining \$500 will be available on Tuesday.

Longer Time Periods May Apply – If you will need the funds from a check deposit right away, you should ask us when the funds will be available. In some cases, we will not make all of the funds that you deposit by check available to you at the times shown above. Depending on the type of check that you deposit, funds may not be available until the seventh (7th) Business Day after the Day of Deposit. However, the first \$200 of your deposits will be available on the Day of Deposit.

Funds you deposit by check may be delayed for a longer period than the times shown above under the following circumstances:

- We believe a check you deposit will not be paid.
- You deposit checks totaling more than \$5,000 on any one day.
- You redeposit a check that has been returned unpaid.
- You have overdrawn your account repeatedly in the last six months.
- There is an emergency, such as failure of communications or computer equipment.

We will notify you if we delay your ability to withdraw funds for any of these reasons, and we will tell you when the funds will be available. They will generally be available no later than the seventh (7th) Business Day after the Day of Deposit.

Availability Timeline for Deposits to New Accounts

The following special rules will apply to New Accounts:

WHEN A DEPOSIT IS MADE BY:	DEPOSITED FUNDS ARE AVAILABLE:
Cash, electronic deposits, wire transfers	On the Business Day of Deposit.
Federal Reserve Bank checks, Federal Home Loan Bank checks, U.S. postal money orders, checks drawn on Glens Falls National Bank and Trust Company and U.S. Treasury checks if these items are payable to you	The first Business Day after the Day of Deposit.
State and local government checks*, cashier's*, certified* and teller's checks* that are payable to you	The first \$5,000 is available on the first Business Day after the Day of Deposit.* Any remainder over \$5,000 is available no later than the ninth (9 th) Business Day after the Day of Deposit.
Checks drawn on other U.S. financial institutions that are payable to you	No later than the ninth (9 th) Business Day after the Day of Deposit.

*Must be made payable to the presenter and deposited with a special handling deposit slip.

For more information concerning the availability of funds deposited with this Bank, please contact any of our office managers or call 518-793-4121 or toll-free at 1-866-248-6366.

CHECK 21 DISCLOSURE

(As applicable)

Defined Terms Under this Check 21 Disclosure

All terms used in this section of the Deposit Account Rules and Regulations applying to Check 21 that are defined in the Check 21 Law or its implementing regulation (collectively referred to as "Check 21") shall have the same meanings assigned to them there.

Legal Equivalence

The Bank will treat each "substitute check" (as defined below) that complies with the Check 21 requirements for legal equivalency as the legal equivalent of the original check for all persons and purposes, as required by law.

Disclosures

The following Check 21 Disclosure (based on model language provided under law) is applicable to consumer deposit Account holders on whose Accounts the Bank sends back paid original checks or paid "substitute checks" with periodic statements.

What is a Substitute Check?

To make check processing faster, Federal law permits banks to replace original checks with "substitute checks." These checks are similar in size to original checks with a slightly reduced image of the front and back of the original check. The front of a substitute check states: "This is a legal copy of your check. You can use it the same way you would use the original check." You may use a substitute check as proof of payment just like the original check.

Some or all of the checks that you receive back from us may be substitute checks. This notice describes rights you have when you receive substitute checks from us. The rights in this notice do not apply to original checks or to electronic debits to your account. However, you have rights under other laws with respect to those transactions.

What are My Rights Regarding Substitute Checks?

In certain cases, Federal law provides a special procedure that allows you to request a refund for losses you suffer if a substitute check is posted to your Account (for example, if you think that we withdrew the wrong amount from your Account or that we withdrew money from your Account more than once for the same check). The losses you may attempt to recover under this procedure may include the amount that was withdrawn from your Account and fees that were charged as a result of the withdrawal (for example, overdraft fees).

The amount of your refund under this procedure is limited to the amount of your loss or the amount of the substitute check, whichever is less. You also are entitled to interest on the amount of your refund if your Account is an interest-bearing Account. If your loss exceeds the amount of the substitute check, you may be entitled to recover additional amounts.

If you use this procedure, you may receive up to \$2,500 of your refund (plus interest if your Account earns interest) within ten (10) business days after we received your claim and the remainder of your refund (plus interest if your Account earns interest) not later than forty-five (45) calendar days after we received your claim.

We may reverse the refund (including any interest on the refund) if we later are able to demonstrate that the substitute check was correctly posted to your Account.

How Do I Make a Claim for a Refund?

If you believe that you have suffered a loss relating to a substitute check that you received and that was posted to your Account, please contact us --

Phone us at: 518-793-4121, or toll-free at 1-866-248-6366

Write us at: Attention: Deposit Services Manager
Glens Falls National Bank and Trust Company
250 Glen Street, PO Box 307
Glens Falls, NY 12801

You must contact us within forty (40) calendar days of the date that we mailed (or otherwise delivered by a means to which you agreed) the substitute check in question or the Account statement showing that the substitute check was posted to your Account, whichever is later. We will extend this time period if you were not able to make a timely claim because of extraordinary circumstances.

Your claim must include--

- A description of why you have suffered a loss (for example, you think the amount withdrawn was incorrect);
- An estimate of the amount of your loss;
- An explanation of why the substitute check you received is insufficient to confirm that you suffered a loss; and
- A copy of the substitute check or the following information to help us identify the substitute check: identifying information, for example the check number, the name of the person to whom you wrote the check, the amount of the check.

The above disclosure will also be provided to any consumer customer to whom the Bank provides either a returned substitute check or a substitute check in response to the consumer customer's request for an original check or a copy of an original check. The Bank will not provide substitute checks to consumers whenever it can legally avoid doing so. Instead, the Bank shall provide images, copies, or other information, rather than substitute checks. The Bank will provide disclosures for recredits that are granted, granted provisionally, denied, or reversed, whenever they are required by law, using forms based on models provided under Check 21 by the Federal authorities.

Time Periods

The Bank shall utilize the full time periods allowed by law for taking action required by Check 21.

Claims

The Bank requires that all claims for expedited recredit be made in writing, not orally. Furthermore, the Bank does not consider e-mail sufficiently secure to permit communication of Account numbers, check information, and similar data in connection with a claim of this nature.

The Bank will require the consumer to explain his/her claim for expedited recredit in his/her own words. The Bank may make available to the consumer a standard claim form for such recredit requests.

Reconverting Bank

At the present time, the Bank has decided that it will not create substitute checks, so that it will not become a reconverting bank, with all the liabilities that are imposed on such banks by Check 21. The Bank will not permit its customers to cause the Bank to become a reconverting bank (such as by creating substitute checks out of original paper checks that the customer receives and depositing that substitute check into the customer's Account) without its knowledge and consent.

ELECTRONIC FUND TRANSFERS DISCLOSURE

If you have arranged for electronic transfers of funds to, or from, your checking or savings Account, or do so in the future, the information contained in this disclosure is important to you. Please retain all this information with your banking records.

An electronic fund transfer is any transfer of funds, other than a transaction originated by a check, draft, deposit or withdrawal slip or other similar paper document, that is initiated through an electronic terminal, telephone, computer or magnetic tape for the purpose of ordering, instructing or authorizing this Bank to debit or credit your Account. A common form of electronic fund transfer is the automatic depositing of Social Security payments. Transactions between a customer's Accounts maintained at this Bank (such as an automatic transfer of funds from a checking Account to a savings Account, or an automatic loan payment) are not considered electronic fund transfers.

Indicated below are types of Electronic fund transfers we are capable of handling, some of which may not apply to your account. Also, for other types of electronic fund transfers that we offer including ATM/24 Hour Banking, VISA® Check card, Internet Banking and other similar services, a disclosure of the specific terms and conditions applying to these services is provided separately from this disclosure in connection with a request for any of those services.

Definition of Business Day

Business Day means any day except Saturday, Sunday and Federal holidays. Our business day generally ends at 8:00 p.m. unless otherwise posted and based on individual branch hours of operation.

Types of Automatic Transfers Available

Described below is a description of the types of transfers covered by this specific Electronic Fund Transfer Disclosure.

You may authorize a third party to initiate electronic funds transfers between your account and the third party's account. These transfers to make or receive payment may be one-time occurrences or may recur as directed by you. These transfers may use the Automated Clearing House (ACH) or other payments network. Your authorization to the third party to make these transfers can occur in a number of ways. In some cases, your authorization can occur when the merchant posts a sign informing you of their policy. In all cases, the transaction will require you to provide the third party with your account number and bank information. This information can be found on your check as well as on a deposit or withdrawal slip. Thus, you should only provide your bank and account information (whether over the phone, the Internet, or via some other method) to trusted third parties whom you have authorized to initiate these electronic funds transfers. Examples of these transfers that may be performed through access to your account generally include the following:

- Preauthorized Credits. You may make electronic fund transfers arrangements for certain direct deposits to be accepted into your checking or savings account(s).
- Preauthorized Payments. You may make electronic fund transfers arrangements to pay certain recurring bills from your checking, money market, or savings account(s).
- Electronic Check Conversion. You may authorize a merchant or other payee to make a one-time electronic payment from your checking account using information from your check to pay for purchases or pay bills. In addition, some merchants or service providers may initiate an electronic fund transfer to collect a charge in the event a one-time electronic payment is returned for insufficient funds.

Consumer's Right to Receive Documentation of Electronic Funds Transfers

- Terminal Transfers. You can get a receipt at the terminal at the time you make any transfer to or from your Account.
- Preauthorized Credits. If you have arranged to have direct deposits made to your Account at least once every sixty (60) days, you can call us at 518-793-4121 or toll-free at 1-866-248-6366 and ask the Deposit Services Department to find out whether the deposit has been made.
- Periodic Statements. You will get a monthly or quarterly Account statement. If your Account becomes inactive for one year, you should not use an ATM/24 Hour Banking card or a VISA Check card for that Account. Also, if you normally receive a quarterly statement, you may receive interim monthly statements reflecting your electronic transfers.
- For Accounts where the only possible electronic fund transfers are preauthorized credits, you will receive an Account statement at least monthly.

Disclosure of Consumer's Liability for Unauthorized Transfers and Disclosure of Telephone Number and Address to Call in Event of an Unauthorized Transfer

You must notify the Bank as soon as possible if you believe that someone has transferred or may transfer money from your Account without permission. If you fail to report within sixty (60) days of transmittal of the periodic statement you receive in connection with your Account any unauthorized transfer that appears on the statement, your liability shall not exceed the sum of:

- the lesser of \$50 or the amount of unauthorized transfers that appear on the statement or that occur during the sixty (60) day period, and
- the amount of transfers that occur after the close of the sixty (60) days and before notice to the Bank that the Bank established would not have occurred but for your failure to notify the Bank within that time.

Phone us at: 518-793-4121, or toll-free at 1-866-248-6366

Write us at: Attention: Deposit Services Manager
Glens Falls National Bank and Trust Company
250 Glen Street, PO Box 307
Glens Falls, NY 12801

Account Information Disclosure

We will disclose information to third parties about your Account or transfers you make:

- Where it is necessary for completing transfers; or
- In order to verify the existence and condition of your Account for a third party, such as a credit bureau or merchant; or
- In order to comply with a government agency or court order; or
- If you give us your written permission.

Preauthorized Payments

- Right to Stop Payment and Procedure for Doing So. If you have told us in advance to make regular payments out of your Account, you can stop any of those payments by calling us at 518-793-4121 or toll-free at 1-866-248-6366, Deposit Services Department, three (3) business days before they are scheduled to be made. If you call, we may also require you to put your request in writing and give it to us within fourteen (14) days from your oral request. Oral stop payments are not binding after fourteen (14) days.
- Notice of Varying Amounts. If these regular payments may vary in amount, the person you are going to pay will tell you ten (10) days before each payment when it will be made and how much it will be. You may choose instead to get this notice only when the payment would differ by more than a certain amount from the previous payment or when the amount would fall outside certain limits that you set.
- Liability for Failure to Stop Payment of a Preauthorized Transfer. If you order us to stop one of these payments three (3) business days or more before the transfer is scheduled and we do not do so, we will be liable for your losses or damages.

Disclosure of The Bank's Liability for Failure to Make Transfers

If the Bank does not complete a transfer to or from your Account on time or in the correct amount according to this Agreement, the Bank will be liable for your loss or damages, except for the following situations:

- Through no fault of ours, you do not have enough money in your Account to make the transfer;
- The transfer will go over the credit limit on any Line of Credit Reserve you may have;
- The funds are subject to legal process or other encumbrances restricting the transfer;
- A withdrawal would consist of money deposited in the form of a check or other order and not yet available for withdrawals;
- In the case of a preauthorized credit to your Account, a third party does not send your money to us on time or does not send us the correct amount; or
- Circumstances beyond our control (such as fire or flood) prevent the transfer, despite reasonable precautions that we have taken.

In Case of Errors or Questions About Your Electronic Transfers

If you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt, we must hear from you no later than sixty (60) days after we sent you the FIRST statement on which the problem or error appeared.

Phone us at: 518-793-4121, or toll-free at 1-866-248-6366

Write us at: Attention: Deposit Services Manager
Glens Falls National Bank and Trust Company
250 Glen Street, PO Box 307
Glens Falls, NY 12801

- Tell us your name and Account number (if any).
- Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.
- Tell us the dollar amount of the suspected error. If you tell us orally, we may require that you send us your complaint or question in writing within ten (10) business days. We will tell you the results of our investigation within ten (10) business days after we hear from you and will correct any error promptly. If we need more time, however, we may take up to forty-five (45) days to investigate the situation. Also, if the transaction resulted from a point of sale debit card transaction, occurred within thirty (30) days after the first deposit to an Account, or was not initiated within a state, we may take up to ninety (90) days to investigate your complaint or questions. If we decide to do this, we will recredit your Account within ten (10) business days for the amount you think is in error, so that you will have use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint in writing and we do not receive it within ten (10) business days, we may not recredit your Account.

If we decide that there was no error, we will send you a written explanation within three (3) business days after we finish our investigation. You may ask for copies of the documents that we used in our investigation.

ADDITIONAL INFORMATION ON AUTOMATED CLEARING HOUSE (ACH) TRANSACTIONS**Provisional Payment Disclosure**

Credit given by us to you with respect to an automated clearing house credit entry is provisional until we receive final settlement for such entry through a Federal Reserve Bank. If we do not receive such final settlement, you are hereby notified and agree that we are entitled to a refund of the amount credited to you in connection with such entry, and the party making payments to you via such entry (i.e., the originator of the entry) shall not be deemed to have paid you in the amount of such entry.

Notice Disclosure

Under the operating rules of the National Automated Clearing House Association (NACHA), which are applicable to ACH transactions involving your account, we are not required to give next day notice to you of receipt of an ACH item and we will not do so. However, we will continue to notify you of the receipt of payments in the periodic statements we provide to you.

Choice of Law Disclosure

We may accept on your behalf payments to your account which have been transmitted through one or more Automated Clearing Houses and which are not subject to the Electronic Fund Transfers Act and its implementing Regulation E. Your rights and obligations with respect to such payments shall be construed in accordance with, and governed by, the laws of the State of New York as provided by the operating rules of the National Automated Clearing House Association (NACHA), which are applicable to ACH transactions involving your account.

TERMS AND CONDITIONS FOR VISA® DEBIT CARD

These terms and conditions cover the use of your Glens Falls National Bank VISA Debit Card when used to pay for purchases or obtain cash from your checking, savings, or other designated deposit account(s).

You may use your Glens Falls National Bank VISA Debit Card at any Glens Falls National Automated Teller Machine (ATM); any ATM within the PLUS, VISA, or NYCE ATM network; or participating VISA retail merchant or bank. As soon as you sign the Request For Debit/ATM Card form, or you or someone you authorize uses your Card, it means that you have accepted these terms and conditions and you will be responsible for all uses of the Card. Each time your Card is properly used, you authorize Glens Falls National Bank to charge or credit your Account (whichever is appropriate) for the total amount shown on any sales drafts, vouchers or instructions in the same way that it handles authorized charges (checks) or credits on your Account.

Your Card and Security Responsibility

Please sign the signature panel on the back of your Glens Falls National Bank VISA Debit Card. If used at an ATM, your Card must be used with your Personal Identification Number (PIN), which you agree not to divulge to anyone else. Do not write the PIN on your Card and do not allow anyone else to use your Card.

Uses of The Glens Falls National VISA Debit Card

Purchases and Refunds: You may use your Card to purchase goods and services any place where VISA is accepted or to obtain cash at any VISA Bank. However, your VISA Debit Card may not be used for any illegal transaction and all transactions conducted must be legal in the jurisdiction where you live and/or where the transaction occurred. Cash refunds will not be made to you on purchases made with your Card. Any claim or defense with respect to property or services purchased with your Card must be handled by you directly with the merchant or other business establishment that accepts your Card and any such claim or defense which you assert will not relieve you of your obligation to pay the total amount of the purchase plus any appropriate charges we may be authorized to make. Any refunds to you by merchant/seller of amounts charged by use of your Card must be made on a credit voucher signed by you and the merchant and presented by the merchant to Glens Falls National Bank. The amount of the credit will be reflected in your next monthly statement.

The Bank has enabled non-VISA debit transaction processing on our VISA Debit Cards. This may impact you when you use your VISA Debit Card at certain merchant locations. This means that transactions using your VISA Debit Card may be processed as either a VISA Debit Card transaction or a transaction on the NYCE network even if you do not enter a PIN. Merchants must provide you with a clear way of choosing to make a VISA Debit Card transaction if they support this option. Please be advised that should you choose to use NYCE when making a transaction without a PIN, different terms may apply. Certain protections and rights applicable only to VISA Debit Card transactions as described within this agreement will not apply to transactions processed on the NYCE network.

Overdrafts: If use of your Card overdraws your Account, you will be notified and you agree to make immediate payment to Glens Falls National Bank in the amount of any such overdrafts. Also, whenever your Account is overdrawn according to Glens Falls National's records, Glens Falls National Bank has the right to return unpaid any checks on your Account that are presented for payment and to assess a service charge for making such returns. We may debit any other deposit account you may have at Glens Falls National Bank to pay any overdrafts. You also understand that you and the other account owners are responsible for any overdrafts created on your checking account and that Glens Falls National Bank has the right to set off such overdrawn balances against other accounts held by you and these individuals, either jointly or individually. We do not charge fees for overdrafts caused by ATM withdrawals or one-time Point of Sale (POS)/Debit Card transactions.

If you have Overdraft Protection in connection with your VISA or MasterCard credit account, the terms and conditions contained in your Credit Agreement will be controlling with respect to overdrafts on your Account regardless of whether they result from use of checks, cash advance checks, or your Glens Falls National Bank VISA Debit Card.

Exchange Rate Calculation: The exchange rate between the transaction currency and the billing currency used for processing international transactions is a rate selected by VISA from a range of rates available in wholesale currency markets for the applicable central processing date, which may vary from the rate VISA itself receives, or the government-mandated rate in effect for the applicable central processing date, plus two percent.

No Right to Stop Payment: You are not permitted to stop payment with respect to any sales draft, cash advance or withdrawal voucher originated by use of your Glens Falls National Bank VISA Debit Card.

Amendment and Termination of this Agreement

This Agreement may be amended by the Bank at any time so long as the Bank gives you twenty-one (21) days notice in writing of the change. At any time, the Bank may cancel your privilege to use the Card and may terminate this Agreement. The Bank may do this without notifying you first. If the Bank does this, you agree to return all cards to the Bank immediately.

Any notice or other correspondence from the Bank to you will be considered effective when delivered personally or mailed to your last address appearing on our records. Any notice from you to the Bank may be given at your option, in person, by telephone, or in writing. Notice in writing from you to the Bank is considered effective when you deposit it in the mail, or when you deliver it for transmittal to the Bank by any other usual means.

Types of Available Transfers and Limits on Transfers

- (1) Account Access. You may use your Card to:
 - a) Withdraw cash from your selected Glens Falls National personal checking or savings type Account;
 - b) Make deposits to your Account at Glens Falls National Bank's ATM/24-hour banking machines;
 - c) Pay for purchases at retail merchants who have agreed to accept purchase transactions in connection with the Glens Falls National VISA Debit Card program.
- (2) Limits on Dollar Amounts or Frequency of Transfers:
 - a) The total number of transactions in any one day may not exceed ten (10) for a single account at an ATM/24-hour banking, NYCE, PLUS, VISA or other appropriate networks and retail outlets;
 - b) For automated teller machine transactions, the total withdrawal from an automated teller machine (ATM) facility on any single business day will be the lesser of five hundred dollars (\$500) per day, or the available balance in your account;
 - c) For retail purchases, the total amount of transactions on any single business day may not exceed the lesser of three-thousand, five hundred dollars (\$3,500), or the available balance in your account;
 - d) The business days for the Bank are Monday through Friday, excluding holidays. Saturday, Sunday and Monday are treated as a single day with respect to ATM/24-hour banking, NYCE, PLUS or VISA networks. A holiday and the next business day are treated as a single day for ATM/24-hour banking, NYCE, PLUS, or other appropriate networks. Ten transactions and \$500 limits are applied to the combined days.

Charges For and Right to Make Transfers and Other Charges

We will not charge you any fee for the use of our Glens Falls National Bank VISA Debit Card when using any Glens Falls National Bank ATM. The Bank will charge you a transaction fee of one dollar (\$1.00) when you use your Card at any bank ATMs other than Glens Falls National Bank's ATM/24-hour banking machine unless specifically stated in appropriate disclosures required under Truth in Savings. In addition, if you use your card at another bank's ATM, that bank and/or the national, regional or local network used to do the transaction may impose a fee. Regular fees customarily charged by us for your Account will still be charged at the usual rate. Some accounts have charges for the periodic statements that are sent to you. For some accounts a fixed amount service charge is imposed if your balance falls below a certain amount. Neither of these kinds of charges are related to EFT transactions. Some accounts have transaction charges for withdrawals, whether the withdrawal is made by a paper or an EFT transaction. Your periodic statement will show the total service charge including transaction charges for the period covered by the statement.

A monthly maintenance fee of one dollar (\$1.00) will be assessed on all accounts, unless otherwise expressly waived in conjunction with another benefits package. A replacement card fee of ten dollars (\$10.00) will be assessed each time a new card is issued to replace a previously issued card(s) on an account. You may use your Card at any other ATM within the PLUS, VISA or NYCE networks to perform any of the transactions listed above except enclosing payments and making deposits.

Disclosure of Account Information to Third Parties

We will disclose information to third parties about your Account or transfers you make:

- (1) Where it is necessary for completing transfers; or
- (2) In order to verify the existence and condition of your Account for a third party, such as a credit bureau or merchant; or
- (3) In order to comply with a government agency or court order; or
- (4) If you give us your written permission.

Your Right to Receive Documentation of Transfers

- (1) Terminal Transfers. You can get a receipt at the terminal at the time you make any transfer to or from your Account. The Bank does not consider the receipt issued by the automatic teller machine as unconditionally binding upon the Bank. It is merely presumed to be accurate data of the transaction until contradicted by other available information.
- (2) Periodic Statements. You will get your usual monthly or quarterly Account statement. If an Account becomes inactive for one year, you should not use your Glens Falls National VISA Debit Card for that Account. Also, if you normally receive a quarterly statement, you may receive interim monthly statements reflecting your electronic transfers.

Pre-authorized Transfers

- (1) Right To Stop Payment and Procedure For Doing So. If you have told us in advance to make regular payments out of your Account, you can stop any of those payments by calling us at 1-800-246-2415 three (3) business days before they are scheduled to be made. If you call, we may also require you to put your request in writing and give it to us within fourteen (14) days from your oral request. Oral stop payments are not binding after fourteen (14) days.
- (2) Notice Of Varying Amounts. If these regular payments may vary in amount, the person you are going to pay, will tell you ten (10) days before each payment when it will be made and how much it will be. You may choose instead to get this notice only when the payment would differ by more than a certain amount from the previous payment or when the amount would fall outside certain limits that you set.
- (3) Liability For Failure To Stop Payment of Pre-Authorized Transfer. If you order us to stop one of these payments three (3) business days or more before the transfer is scheduled and we do not do so, we will be liable for your losses or damages.
- (4) You may not stop payment on any transaction made with the Glens Falls National VISA Debit Card, except as set forth above.

Unauthorized Transfers and Lost Cards

You must notify the Bank at once if your Glens Falls National VISA Debit Card has been lost or stolen. Your liability for untimely notice to the Bank will apply as disclosed below:

- (1) If someone used your card without permission, and if the card was used in a transaction not requiring the use of your personal identification number (PIN), ATM or non-VISA branded PIN transactions, your liability will be determined as follows:
 - a) If you notify the Bank within two (2) business days after learning of the loss or theft of the Card, your maximum liability will be fifty dollars (\$50.00).
 - b) If you fail to notify the Bank within two (2) business days after learning of the loss or theft of the Card, your liability shall not exceed the lesser of five-hundred dollars (\$500.00) or the sum of:
 - fifty dollars (\$50.00) or the amount of unauthorized transfers that occur before the closing of the two (2) business days, whichever is less; and
 - the amount of unauthorized transfers that the Bank established would not have occurred but for your failure to notify the Bank within two (2) business days after you learned of the loss or theft, and that occurred after the close of two (2) business days and before notice to the Bank.
- (2) Otherwise, if someone used your card without permission, and the transaction(s) was processed over the VISA network without your PIN - online or off, you will incur no liability.
- (3) Also, if you fail to report within sixty (60) days of transmittal of the periodic statement you receive in connection with your Account any unauthorized transfer that appears on the statement that does not involve an access device, your liability shall not exceed the sum of:
 - a) The lesser of fifty dollars (\$50.00) or the amount of the unauthorized transfers that appear on the statement or that occur during the sixty (60) day period, and
 - b) The amount of the transfers that occur after the close of the sixty (60) days and before notice to the Bank, that the Bank established would not have occurred but for your failure to notify the Bank within that time.

If you believe your Glens Falls National Bank VISA Debit Card/PIN has been lost or stolen or that someone has transferred or may transfer money from your Account without your permission, please:

Telephone us at: 1-800-851-5152

Write us at: Glens Falls National Bank and Trust Company
Attention: Electronic Banking
PO Box 1000
Glens Falls, New York 12801

If a good reason (long trip, hospital stay) delays your reporting, we may, at our option, extend the time period.

Liability of the Bank

If the Bank does not complete a transfer to or from your Account on time or in the correct amount according to this Agreement, the Bank will be liable for your loss or damages, except as follows:

- (1) If, through no fault of ours, you do not have enough money in your Account to make the transfer;
- (2) If the transfer will go over the credit limit on any Line of Credit reserve you may have;
- (3) If the terminal or system was not working properly and you knew about the breakdown when you started the transfer;
- (4) If the funds are subject to legal process or other encumbrances restricting the transfer;
- (5) If a withdrawal would consist of money deposited in the form of a check or other order and not yet available for withdrawals;
- (6) If you have not told us that your Card was lost or stolen;
- (7) If a terminal has insufficient cash to complete the transaction;
- (8) In the case of a preauthorized credit to your Account, a third party does not send your money to us on time or does not send us the correct amount; or
- (9) If circumstances beyond our control (such as fire or flood) prevent the transfer, despite reasonable precautions that we have taken.

Error Resolution Notice, In Case of Error or Questions About Your Electronic Transfer

As soon as you can, if you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt, we must hear from you no later than sixty (60) days after we sent you the FIRST statement on which the problem or error appeared.

- (1) Tell us your name and Account number (if any).
- (2) Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.
- (3) Tell us the dollar amount of the suspected error. If you tell us orally, we may require that you send us your complaint or question in writing within ten (10) business days. We will tell you the results of our investigation within ten (10) business days after we hear from you and will correct any error promptly. If we need more time, however, we may take up to forty-five (45) days to investigate the situation. Also, if the transaction resulted from a point of sale debit card transaction, occurred within thirty (30) days after the first deposit to an account, or was not initiated within a state, we may take up to ninety (90) days to investigate the situation. If we decide to do this, we will re-credit your Account within ten (10) business days for the amount you think is in error, so that you will have use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint in writing and we do not receive it within ten (10) business days, we may not re-credit your Account.

If we decide that there was no error, we will send you a written explanation within three (3) business days after we finish our investigation. You may ask for copies of the documents that we used in our investigation.

Telephone us at: 1-800-851-5152

Write us at: Glens Falls National Bank and Trust Company
Attention: Electronic Banking
PO Box 1000
Glens Falls, New York 12801

Other Agreements, Rules and Regulations

This Agreement is in addition to the applicable terms of any other agreement, rule or regulation relating to accounts which may be accessed by your Card. If at your request, the Bank allows you to use a substitute banking card other than your Card at an ATM, then this Agreement shall also govern the use of such Card at a Glens Falls National Bank ATM. If your Card or any other card which the Bank allowed you to use at an ATM is so used to obtain credit under one of our credit plans, the credit transactions will be subject to the terms and conditions governing such transactions.

Termination of Card Privileges

You may at any time terminate this Agreement by delivering written notice to the Bank. The Bank also reserves the right to deactivate your Card if you do not use the Card for a period of twelve (12) months or more. Termination of this Agreement whether by you or by the Bank, will not affect any of the Bank's rights or your obligations arising from the use of your Card before termination, or your continued use after termination.

Law

This Agreement and all Card transactions are to be governed by United States and New York State Law. In the event of any conflict between the provisions of the Agreement and any applicable law or regulation, this Agreement shall be deemed modified to the extent necessary to comply with such law or regulation.

Validity and Enforceability

A provision of this Agreement that is deemed to be invalid or unenforceable under any law, rule or regulation shall not be deemed so invalid or unenforceable as to affect any other provision of this Agreement. This Agreement is binding upon the Bank and you as well as both the Bank and your legal representatives or successors in interest. You may not assign or transfer any of your rights under this agreement without prior written consent of the Bank.

GLENS FALLS NATIONAL BANK AND TRUST COMPANY
Member FDIC / Equal Housing Lender

Revised 8/5/13